

**United States  
General Services  
Administration  
Office of Inspector  
General  
Office of Investigation**

**FRAUD, WASTE and ABUSE**

In the

RECOVERY ACT



The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The title "Office of Investigations" is centered at the top in a large, bold, black font with a white outline.

# Office of Investigations

- In the Office of Investigations, Special Agents are sworn Law Enforcement Officers, who conduct investigations of significant criminal, civil and administrative activities involving GSA programs, operations, and personnel, and are authorized to make arrests, execute warrants, conduct searches and seizures, apprehend and detain suspects, and carry firearms.

# The American Recovery and Reinvestment Act of 2009

- The American Recovery and Reinvestment Act (Recovery Act) is intended to create jobs, restore economic growth, and strengthen America's middle class through measures that modernize the nation's infrastructure, enhance America's energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.
- With oversight by a new Recovery, Accountability and Transparency Board, this Act contains built-in measures to root out waste, inefficiency, and unnecessary spending.
- The website, <http://www.recovery.gov>, is provided for the American public to monitor Recovery Act progress.
- The Recovery Act has established several more reporting requirements for federal agencies as well as additional protections for those who come forward to report fraud, waste and abuse.

# **Recovery Act Oversight**

## **GSA was appropriated \$5.8 billion**

- **Timely identification and investigation of potential fraud, waste, and abuse within Recovery Act funded programs.**
- **Review and investigate any concerns raised by the public about GSA projects/initiatives funded by the Recovery Act.**
- **Report findings of such reviews to the head of the agency, unless it involves an ongoing criminal proceeding.**
- **Seek prosecution where warranted and appropriate administrative action.**
- **Post findings to the OIG website.**
- **Manage an effective and efficient whistleblower allegation investigation program.**



The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The stars are white on a blue field in the upper left, and the stripes are red and white, running diagonally across the rest of the slide.

# **Contract Fraud Indicators**

## **Product Substitution / Defective Products**

- Early or unexpected failure
- Higher maintenance rate
- Failure to provide certifications
- Missing or altered documents
- Requests to modify requirements

The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The stars are white on a blue field in the upper left, and the stripes are red and white, running diagonally across the rest of the slide.

# Case Examples

- Two GSA contractors were sentenced to 39 months incarceration and ordered to pay over \$800,000 in restitution for a product substitution scheme in which they affixed counterfeit Underwriters Laboratories “UL” rated stickers to counterfeit “Kiddie Safety” brand smoke detectors, that were actually made in China, and sold them to the government.
- Armor Holdings Products LLC agreed to pay the United States \$30 million to resolve allegations that it violated the False Claims Act by knowingly manufacturing and selling defective Zylon bullet-proof vests.

The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The stars are white on a blue field in the upper left, and the stripes are red and white, running diagonally across the rest of the slide.

# **Contract Fraud Indicators**

## **Defective Pricing/ Price Reduction**

- Delay in releasing data to the government
- Failure to update cost & pricing data
- Failure to disclose “preferred customer” agreements
- Altered supporting documents

# Case Example

- A GSA contractor agreed to pay \$9 million to settle allegations that they failed to disclose current, accurate, and complete pricing information under three of its GSA Multiple Award Schedule (MAS) contracts for ergonomic office equipment and furniture. The settlement also resolved allegations that the company failed to comply with the price reduction clause under these same three MAS contracts.



The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The stars are white on a blue field in the upper left, and the stripes are red and white, running diagonally across the rest of the slide.

# **Contract Fraud Indicators**

## **Corruption- Bribery, Gratuities....**

- Unreported poor performance
- Socializing outside work environment
- Unexplained increase in business with one contractor
- Living beyond ones means
- Employment of family members

The background of the slide is a stylized American flag, featuring the stars and stripes in a diagonal orientation.

# Case Examples

- GSA/PBS Contracting Officer (CO) sentenced to 5 years in jail for accepting cash and other things of value (Caribbean cruise) from a GSA contractor to whom the CO awarded security guard contracts.
- Former New York GSA/FTS Director and Deputy Director pled guilty to participating in a bribery scheme involving GSA/FTS contracts. Both were incarcerated and ordered to pay over \$1 million in restitution.

The background of the slide is a stylized American flag, featuring the stars and stripes in a diagonal orientation. The stars are white on a blue field, and the stripes are red and white.

# **Contract Fraud Indicators**

## **False Claims/ False Statements**

- Progress payments do not correspond to contractor's plan to perform the work
- Contract employee's experience on resume does not match position requirements
- Reluctance to sign or omission of required labor certifications

The background of the slide is a stylized American flag, featuring the stars and stripes in a diagonal orientation. The stars are white on a blue field, and the stripes are red and white.

# Case Examples

- GSA Contractor sentenced to 33 months in jail for making false statements on GSA and SSA contract proposals.
- GSA/PBS electrician pled guilty in federal court for making false statements in connection with falsifying preventive maintenance records for high voltage equipment in federal buildings.



The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The stars are white on a blue field, and the stripes are red and white.

# Other Types of Investigations

- **Credit Card Fraud**
  - **GSA Fleet Credit Cards**
  - **GSA Travel & Purchase Cards**
- **Computer crime**
  - **Child pornography**
  - **Intrusion**
- **Employee Misconduct**
  - **Timesheet abuse**
  - **Travel voucher fraud**
- **Anti-Trust Violations**
  - **Collusion**
  - **Kickbacks**
  - **Bid Rigging/Price Fixing**
- **Theft of Government property**
- **Work Projects Administration (WPA) recovery effort**
- **Conflict of Interest**
- **Surplus/Excess property fraud**
- **Trade Agreement Act (TAA) violations**
- **Qui-Tams**
- **Suspensions & Debarments**

The background of the slide is a stylized American flag, featuring the stars and stripes in a diagonal orientation. The stars are white on a blue field, and the stripes are red and white.

# Case Examples

- GSA employee sentenced to 7 years in jail for receipt of child pornography on his GSA issued computer.
- Canadian man found guilty for fraudulently obtaining over \$3 million in federal excess property, which he either sold or kept for personal use.
- Former GSA/PBS supervisor pled guilty in federal court to theft of government property for falsifying timesheets.
- Federal employees from various agencies have been found guilty and incarcerated for their fraudulent use of GSA issued Fleet Credit Cards.

The background of the slide is a stylized American flag, featuring the stars and stripes in a diagonal orientation. The stars are white on a blue field, and the stripes are red and white.

# **Whistleblower Protection Act**

- Federal employees may not be retaliated against by their agency for reporting information regarding potential crimes, frauds, or violations of law to the OIG.
- The OIG will not tolerate ANY retaliation, harassment or hostility from agencies towards GSA employees who communicate or cooperate with the OIG.
- All allegations of whistleblower violations will be reviewed, and where appropriate, investigated by GSA OIG.
- Complainants are offered anonymity.

# Whistleblower Protection

## Recovery Act Whistleblower Protections

The Recovery Act also provides explicit protections for non-Federal employee whistleblowers. The Act prohibits funding recipients from discharging, demoting, or discriminating against any employee for reporting to their supervisor, the head of a Federal agency or his/her representatives, or OIG information that the employee reasonably believes is evidence of:

- Gross Mismanagement of grant or contract relating to Recovery Act funds.
- Gross waste of Recovery Act funds.
- Substantial and specific danger to public health or safety related to implementation or use of Recovery Act funds.
- Abuse of authority related to the implementation or use of Recovery Act funds.
- Violation of law, rule or regulation related to an agency contract or grant relating to Recovery Act funds.



# **Contractor Reporting Requirements**

- All Federal contractors are required to timely disclose to the Inspector General whenever they have credible evidence of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations, or a violation of the civil False Claims Act.

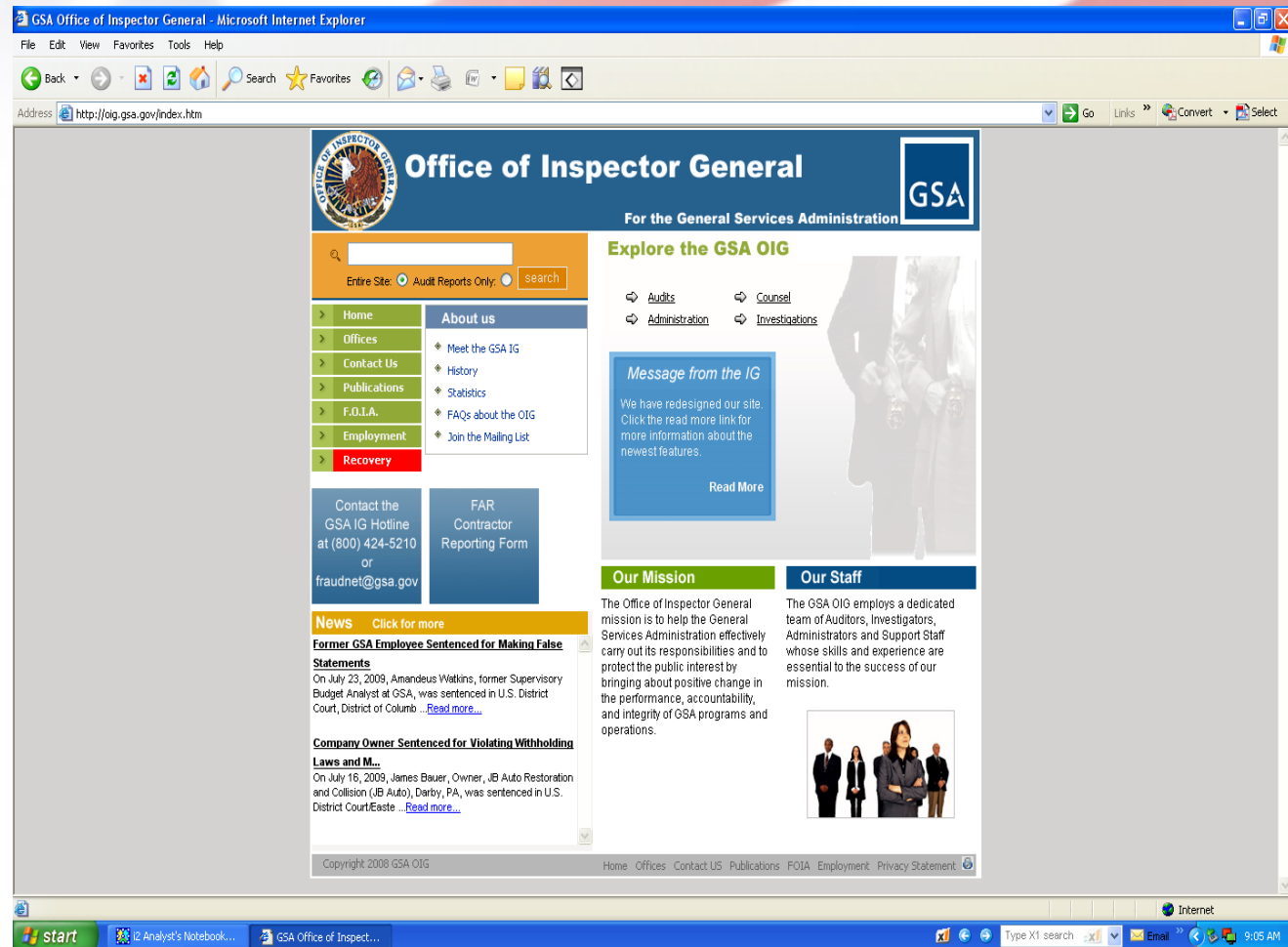
# Reporting Fraud on GSA Contracts

## GSA-OIG Web Address

**http://  
www.oig.gsa.gov**

**CALL THE HOTLINE  
TO REPORT FRAUD,  
WASTE AND ABUSE.**

**USE FAR  
CONTRACTOR  
REPORTING FORM IF  
YOU ARE SELF-  
REPORTING.**



# Contractor Fraud Reporting Form



## GSA OIG Contractor Reporting Form

This form is provided as a convenience to allow contractors to comply with the reporting requirements in the December 12, 2008, FAR amendment, 73 Fed. Reg. 67064. Specifically, contractors may use this form to satisfy the requirement that they notify, in writing, the agency (GSA) Office of the Inspector General, whenever the contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of the civil False Claims Act or a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in connection with the award, performance, or closeout of a contract or any related subcontract. The individual completing this form must be an authorized representative empowered to speak for the company. When you submit this electronic form an email will automatically be generated to send you a tracking number and a copy of what you have submitted. The information you are providing is not deemed to be submitted until you have received that confirmation email. If you wish to provide information that does not fall within these guidelines, please visit the Inspector General Hotline.

### Instructions:

Fill in the form at right. *If you are unsure if this form applies or you have any questions, please contact Counsel to the Inspector General at [OIGCounsel@gsa.gov](mailto:OIGCounsel@gsa.gov) or (202) 501-0155.*

**GSA Office of Inspector General**  
Attn: FAR Contractor Reporting  
Office of Audits (JA)  
1800 F Street NW, Room 5318  
Washington, DC 20405

### Your Company Information

Your First Name:	<input type="text"/>
Your Last Name:	<input type="text"/>
Your Title:	<input type="text"/>
Your Business Email:	<input type="text"/>
Confirm Your Business Email:	<input type="text"/>
Company Name:	<input type="text"/>
Business Address1:	<input type="text"/>
Business Address2:	<input type="text"/>
Business City:	<input type="text"/>
Business State / Province:	<input type="text"/>
Business Zip or Postal Code:	<input type="text"/>
Business Country:	<input type="text"/>
Business Phone Number:	<input type="text"/>
Business Fax Number:	<input type="text"/>

### Relationship

My company is the:	<input type="text"/>
I am reporting on:	<input type="text"/>

### Contract Information

Contract No:	<input type="text"/>
DUNS or TBIS:	<input type="text"/>
GSA Contracting Officer Name:	<input type="text"/>
GSA Component / Region:	<input type="text"/>
If other, please specify:	<input type="text"/>

GSA Contracting Officer Name:	<input type="text"/>
GSA Component / Region:	<input type="text"/>
If other, please specify:	<input type="text"/>
Description of Services/Supplies/System:	<input type="text"/>
Incident:	<input type="text"/>
Estimated Amount of Loss:	<input type="text"/>
Loss Description:	<input type="text"/>
Initial Incident Date:	<input type="text"/>
Is the incident ongoing?	<input type="text"/>
Date contractor learned of potential violation:	<input type="text"/>
Comments:	<input type="text"/>
Does this report contain confidential or proprietary information?	<input type="text"/>
Please list any other government entities you are notifying about this incident:	<input type="text"/>
Attachments:	<input type="text"/>
NAME:	<input type="text"/>
Validation:	<input type="text"/>
Please enter the number from the image into the adjacent field:	<input type="text"/>
Clear	Submit

The background of the slide is a stylized American flag, featuring the stars and stripes in a slightly blurred, artistic manner. The word "Hotline" is prominently displayed in the upper center.

# Hotline

- OIG's Hotline, run by the Office of Investigations, is used to receive reports of violations of laws and regulations relating to GSA programs, including Recovery Act activities.
- OIG will separately track complaints regarding Recovery Act funding and related whistleblower reprisal complaints.



The background of the slide is a stylized American flag. The top left corner features a blue field with white stars, while the rest of the slide is filled with red and white diagonal stripes.

# **Let's Work Together**

We value your assistance and it is our sincere goal to provide you with excellent training and service. By working together we will ensure that our Recovery Act programs are well monitored and proactively protected from waste, fraud and abuse.

# Thank You

## **Call The OIG HOTLINE**

(800) 424-5210

(202) 501-1780

## **Write**

GSA/OIG Investigations  
Attention Fraud Hotline  
1800 F Street, NW  
Washington, D.C. 20405

**Online:** <http://oig.gsa.gov>

## **Electronic Mail**

**([fraudnet@gsa.gov](mailto:fraudnet@gsa.gov))**

